GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:616
ANSWERED ON:28.07.2006
NEW PENSION SCHEME
Khanduri AVSM,Maj.Gen.(Retd.) Bhuwan Chandra

Will the Minister of FINANCE be pleased to state:

(a) whether pension fund accounts are messed up and Provident Fund Regulatory Development Authority (PFRDA) consider outsourcing the management of accounts, as reported in the `Hindustan Times` dated July 11, 2006;

(b) if so, the details thereof as on date;

(c) whether the said fund is being invested;

(d) if so, the details thereof; and

(e) the steps taken by the Government to set matters right at the earliest?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

(a), (b), (c), (d) & (e) Under the Pension Fund Regulatory and Development Authority (PFRDA) Bill, 2005, it is proposed to establish the architecture of the New Pension System (NPS) consisting, inter alia, of a central recordkeeping agency, pension funds and points of presence, under a statutory regulatory framework. In the interim, the Central Pension Accounting Office (CPAO) under the Controller General of Accounts has been entrusted with the responsibility of maintaining the pension accounts of Central Government employees under the NPS. Pension contributions of Central Government recruits under the NPS as well as Government`s matching share are being kept in the Public Account of India and Government is paying a fixed return of 8% per annum on it. According to CPAO, there is no gap in the flow of information from various accounting units and they have been conducting regular review meetings with all Ministries in respect of maintenance of accounts, necessary reconciliation and other steps to improve the quality and accuracy of recordkeeping. Further, Government has advised the Pension Fund Regulatory and Development Authority to comprehensively review and strengthen recordkeeping and accounting arrangements in consultation with the Controller General of Accounts and CPAO.